

**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

Statement Regarding the Acquisition of Control of or Merger with
Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company; Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

**SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUEST 5.1.1.3 FROM THE
PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.1.1.3:

With respect to each entity listed in Section 5.1.1 that will have its Articles of Incorporation and/or Bylaws amended when the Transaction is completed, provide a comparison document showing the changes that are proposed to be made in such document when the Transaction is completed.

RESPONSE:

The following attachments are responsive to the Pennsylvania Insurance Department's supplemental questions and required action in its supplemental/additional Information Requests of May 3, 2012 to Buchanan Ingersoll & Rooney PC.

West Penn Allegheny Health System
30 Isabella St., Suite 300
Pittsburgh, PA 15212

AMENDED AND RESTATED

BYLAWS

OF

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

~~Pittsburgh, Pennsylvania 15224~~

Effective Date: _____, 20

BYLAWS

~~Revised September 22, 2009~~

~~Previous Revisions:
November 20, 2008~~

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WPAHS-006987

~~September 18, 2008~~
~~January 1, 2008~~
~~January 12, 2006~~
~~May 12, 2005~~
~~August 14, 2003~~
~~December 12, 2002~~
~~February 9, 2001~~
~~August 9, 2000~~

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~~Amended and Restated Bylaws
Of West Penn Allegheny Health System, Inc.
(formerly The Western Pennsylvania Hospital)
AMENDED AND RESTATED~~

BYLAWS

OF

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

~~(OPERATING ALLEGHENY GENERAL HOSPITAL (INCLUDING THE SUBURBAN CAMPUS);
THE WESTERN PENNSYLVANIA HOSPITAL - WEST PENN CAMPUS; AND THE WESTERN
PENNSYLVANIA HOSPITAL - FORBES REGIONAL CAMPUS)~~

ARTICLE I.

NAME AND LOCATION PURPOSES

1.1. Name.

~~Section 1. Name. The name of the Corporation is West Penn Allegheny Health System, Inc. The Corporation may do business under such other names as may be determined by the Board of Directors.~~

1.2. Purposes.

~~The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:~~

~~Section 2. Office. The initial registered office of the Corporation is located at 4800 Friendship Avenue, Pittsburgh, Pennsylvania 15224. The Board of Directors may from time to time change the address of the registered office of the Corporation and shall amend the Articles of Incorporation of the Corporation or file the appropriate statement with the Department of State.~~

~~ARTICLE II. PURPOSE~~

The purposes of the Corporation are:

(a) To provide, maintain, operate, and support, directly and through its controlled affiliates, the provision, maintenance, management, and operation of, on a ~~not-for-profit~~nonprofit basis, in-patient and out-patient hospital facilities and health care services for the benefit of persons who require medical care and services of the kind customarily furnished most

effectively by hospitals, without regard to race, creed, color, sex, age, religion, national origin, sexual orientation, ability to pay, or any other criteria not related to medical indications for admission or treatment;

(b) To carry on educational and scientific activities related to the care of the sick and injured;

(c) To carry on scientific research related to the care of the sick and injured;

(d) To carry on activities designed to promote the general health of the communities in which it operates;

(e) To support and manage or operate as part of the nonprofit regional health care system governed by [name of Ultimate Parent Entity], a Pennsylvania nonprofit corporation (the "Health Care System"), Ultimate Parent", and support a health care provider network comprised of the Corporation and its controlled affiliates those corporations and other entities over which the Corporation exercises governance control (the "subsidiaries"), each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization described in exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and are not and classified as other than private foundations under Section 509(a)(1) or 509(a)(2) and Section 170 or 509(ba)(1)(A)(vi)3 of the Code. All hospitals operated directly by the Corporation (the "Corporation Hospitals") or operated by controlled affiliates of the Corporation are collectively referred to herein as the "Constituent Hospitals", and the corporations operated by the Corporation or a controlled affiliate of the Corporation are referred to herein as the "Constituent Corporations"; the Corporation Hospitals are Allegheny General Hospital (including the Suburban Campus; The Western Pennsylvania Hospital - West Penn Campus; and The Western Pennsylvania Hospital - Forbes Regional Campus). The term "Constituent Corporations" shall include all "Constituent Hospitals (including the Corporation Hospitals);

(f) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

(g) To maintain itself as a not for profit corporation organized otherwise operate exclusively for charitable, scientific and/or educational purposes, with activities conducted in such a manner that no part of its net earnings shall inure to the benefit of any member, Director, officer or other individual. Upon termination, dissolution or winding up, the assets remaining after payment of all liabilities shall be distributed to another organization

~~described in within the meaning of Section 501(c)(3) of the Code as selected by the Directors in their sole discretion, subject, however, to all applicable law; and~~

~~To exercise all such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, as amended from time to time, or any successor legislation (the "PNCL"), all in a manner that is described in Section 501(c)(3) of the Code.~~

ARTICLE II.

OFFICES

2.1. Registered Office.

The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2. Business Offices.

The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

ARTICLE III.

MEMBERSHIP MEMBERS

~~The Corporation shall have no members.~~

ARTICLE IV. THE BOARD OF DIRECTORS

3.1. Membership.

The Corporation shall have one (1) member, which shall be [name of Provider Subsidiary] (the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member.

3.2. Meetings.

(a) Annual Meeting. The annual meeting of the Member of the Corporation shall be held immediately following the annual meeting of the Board of Directors of the Member, or at such other time as the Member may determine, to elect members of the Board of

Directors and officers of the Corporation, and to transact such other business as may come before the meeting.

(b) Special Meetings. Special meetings of the Member may be called by the Chairperson of the Board of the Corporation, one-third (1/3) of the members of the Board of Directors of the Corporation or by one-third (1/3) of the members of the Board of Directors of the Member.

(c) Notice of Meetings. Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least then (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five days prior to the day named for the meeting in any other case.

(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the Member and filed with the Secretary.

3.3. Powers.

(a) Reserved Powers of Member. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to Ultimate Parent with respect to actions by Ultimate Parent on the matters reserved to Ultimate Parent under Section 3.3(b) of these Bylaws. Ultimate Parent shall have no obligation to approve any such recommendations, and Ultimate Parent may take actions that have not been recommended by, or that are contrary to recommendations of, the Member.

(b) Reserved Powers of Ultimate Parent. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the following rights and powers are reserved to Ultimate Parent:

(i) Subject to the provisions of Section [4.3] of these Bylaws, to determine the number of directors that will comprise the Board of Directors of the Corporation and the subsidiaries;

(ii) Subject to the provisions of Section [4.2, 4.3, 4.4 and 4.5] of these Bylaws, to elect the directors of the Corporation and the subsidiaries;

(iii) Subject to Sections [4.2 and 4.7(b)] of these Bylaws, to remove any of the directors of the Corporation and subsidiaries and to replace any such director for the unexpired portion of his or her term;

(iv) To approve the election, re-election and removal of all officers, including the Chief Executive Officer, of the Corporation and the subsidiaries in accordance with Article V;

(v) Subject to Section [7.1(a)] of the Affiliation Agreement, dated as of [], 2011, among Ultimate Parent, the Corporation, Highmark Inc., Member,

Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to amend, revise or restate the Corporation's and the subsidiaries' Articles of Incorporation and Bylaws;

(vi) Subject to Section [7.5(i)] of the Affiliation Agreement, to adopt or change the mission, purpose, philosophy or objectives of the Corporation or the subsidiaries;

(vii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to change the general structure of the Corporation or any of the subsidiaries as a voluntary, nonprofit corporation;

(viii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to (1) dissolve, divide, convert or liquidate the Corporation or the subsidiaries, (2) consolidate or merge the Corporation or the subsidiaries with another corporation or entity, (3) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's consolidated total assets;

(ix) To approve the annual consolidated capital and operating plan and budget of the Corporation and the subsidiaries, and any amendments thereto or significant variances therefrom;

(x) Subject to Section [7.6] of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and the subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation for such fiscal year, if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(xi) Subject to Section [7.6] of the Affiliation Agreement, to approve any donation or any other transfer of the Corporation's or the subsidiaries' assets, other than to the Member or to the Corporation by the subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or the subsidiaries' approved budgets;

(xii) Subject to Section [7.5(i)] of the Affiliation Agreement, to approve strategic plans and mission statements of the Corporation and the subsidiaries;

(xiii) To approve investment policies of the Corporation and the subsidiaries;

(xiv) To approve the closure or relocation of a licensed healthcare facility of the Corporation and the subsidiaries;

(xv) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xvi) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year;

~~(xvii) Section 1. Powers. All corporate powers of the Corporation shall be vested in and exercised by and under the authority of the Board of Directors (sometimes hereinafter referred to as the "Board"), which shall have full charge, control and management of the property, affairs and funds of the Corporation. The Board of Directors shall have full power to establish and direct the policies governing the business and affairs of the Corporation. Such responsibility shall include, without limitation, management of the Medical Staffs as contemplated herein; adoption, amendment, repeal and restatement of the Medical Staff Bylaws, as proposed by the Medical Staff pursuant to these bylaws; maintenance of quality patient care; institutional management and planning; and periodic reexamination of the relationship of the Board to the communities of the Corporation Hospitals. Without limiting the generality of the foregoing, the Board of Directors shall have power and authority to, and shall be responsible to, To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation and the hospitals operated by the Corporation (the "Corporation Hospitals"), all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation or the Corporation Hospitals. The Board of Directors shall generally coordinate the activities of the Corporation and the Constituent Corporations;~~

~~The Board of Directors shall, among other things:~~

(xviii) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries; and

(xix) To give such other approvals and take such other actions as are specifically reserved to members of Pennsylvania nonprofit corporations under the Nonprofit Corporation Law.

Except as may otherwise be provided by the Nonprofit Corporation Law, Ultimate Parent, shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by Ultimate Parent shall be sufficient to finally approve and adopt such

actions and no action of the Board of Directors or other governing body or officer with respect to such action shall be necessary with respect thereto.

ARTICLE IV.

BOARD OF DIRECTORS

4.1. Powers and Duties.

Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

(a) ~~Approve the strategic plans~~ To set policies and provide for carrying out the purposes of the Corporation and the Constituent Corporations;

(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;

(c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable.

(d) To manage the Medical Staffs as contemplated in Article VIII hereof;

(e) To adopt, amend, repeal and restate the Medical Staff Bylaws, as proposed by the Medical Staff pursuant to these Bylaws;

(f) To maintain the quality of patient care; and

(g) To periodically reexamine the relationship of the Board of Directors to the communities of the Corporation Hospitals.

~~(b) Direct the managed care activities of the Corporation and the Constituent Corporations;~~

~~(c) Adopt and/or approve the capital budgets, operating budgets, operating plans and financial plans of the Corporation and the Constituent Corporations; and~~

~~(d) Exercise the powers vested in the Corporation in its capacity as member of each of the Constituent Corporations or as member of a Constituent Corporation which in turn is the sole member of another Constituent Corporation (subject to delegation of such power to the Executive Committee or the President and Chief Executive Officer of the~~

Corporation to the extent permitted in these Bylaws) which shall include the power to (either directly or in its capacity as member of a Constituent Corporation which in turn is the sole member of another Constituent Corporation):

~~(1) Adopt and/or approve and interpret the statement of mission and philosophy of each of the Constituent Corporations, and require them to operate in conformance with the Constituent Corporations' respective statements of mission and philosophy;~~

~~(2) Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Constituent Corporations;~~

~~(3) Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice Chair of the Board of Directors of each of the Constituent Corporations, and the Secretary and Treasurer of each of the Constituent Corporations;~~

~~(4) Designate the administrative structure of each of the Constituent Corporations and, after consultation with the Board of Directors of the applicable Constituent Corporation, elect and remove, with or without cause, the President and Chief Executive Officer and all other officers of such Constituent Corporation;~~

~~(5) Cause or approve any merger, consolidation, division, conversion, or dissolution of any of the Constituent Corporations, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors by any of the Constituent Corporations;~~

~~(6) Approve or cause any Constituent Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of such Constituent Corporation having a value in excess of an amount to be fixed from time to time by the Board in its capacity as member or as member of a Constituent Corporation which is the sole member of another Constituent Corporation, or any real property of any Constituent Corporation;~~

~~(7) Adopt and/or approve any capital or operating budgets of the Constituent Corporations, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Constituent Corporations and any affiliated corporations controlled by the Constituent Corporations (other than unbudgeted expenditures which are required in order for the Constituent Corporations to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements), where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Board in its capacity as member or as member of a Constituent Corporation which is the sole member of another Constituent Corporation;~~

~~(8) Adopt and/or approve any operating plan or financial plan with respect to each of the Constituent Corporations, and require each of the Constituent Corporations to comply with such operating or financial plan;~~

~~(9) Approve, and/or cause any of the Constituent Corporations to undertake or engage itself in respect of, any bond issuance or any other indebtedness for borrowed money of such Constituent Corporation, or any lending of funds by any Constituent Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Constituent Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of any Constituent Corporation in excess of an amount per annum in the aggregate established from time to time by the Board in its capacity as member of such Constituent Corporation or as member of a Constituent Corporation which is the sole member of another Constituent Corporation;~~

~~(10) Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the President and Chief Executive Officer and all vice-presidents and officers of similar rank of each Constituent Corporation;~~

~~(11) Approve and/or cause the adoption by any of the Constituent Corporations of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(12) Approve and/or cause the adoption by any of the Constituent Corporations of any contracts between such Constituent Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company;~~

~~(13) Approve and/or cause any corporate reorganization of any Constituent Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of any of the Constituent Corporations;~~

~~(14) Adopt and/or approve the respective strategic plans of the Constituent Corporations; and~~

~~(15) Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

~~As set forth herein, the Board of Directors' authority to "adopt", "establish", "direct", or "cause" an action on behalf of a Constituent Corporation shall mean that the Board of Directors~~

of the Corporation shall have the authority to directly bind a Constituent Corporation on such matters, irrespective of whether the Constituent Corporation has acted on such matter.

~~Section 2. *Qualifications.* Each Director of the Corporation shall be a natural person of at least eighteen years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation. Physicians on the medical staff of one or more of the Constituent Hospitals, shall comprise between twenty-five percent (25%) and thirty-five percent (35%) of the Board, with the goal that physician representation shall be approximately 30%. With the exception of Physician Directors and the President and Chief Executive Officer of the Corporation, no Director shall be a full-time employee of the Corporation or any Constituent Corporation. A "Physician Director" shall include only those employed physicians who are employed by the Corporation or an entity controlled by the Corporation (a) in a full-time clinical capacity; (b) as a Chair, Vice Chair, or Division Chief of a clinical department; or (c) who hold an administrative role within the Corporation or any Constituent Corporation that requires less than fifty percent (50%) of his or her compensated time. Employing the criteria set forth in the prior sentence, the President and Chief Executive Officer, in consultation with the Chair, shall determine whether a physician qualifies as a Physician Director. Notwithstanding the foregoing, at all times at least 51% of the Directors comprising the Board shall be community members who are neither members of the medical staff of a Constituent Hospital nor employed by the Corporation or a Constituent Corporation. Each Director shall further satisfy the requirements set forth in Section 7 of this Article IV.~~

~~Section 3. *Number, Election, Ex Officio Directors, and Term of Office.* The Board of Directors shall be comprised of at least nine but no more than 40 voting members, as determined by the Board of Directors from time to time, including (i) the President and Chief Executive Officer of the Corporation and (ii) each Chair of the Board of Directors of each Constituent Hospital corporation, all of whom shall be ex-officio voting members of the Board of the Corporation. The Board of Directors shall at each annual meeting fix the number of Directors constituting the Board and elect the persons who shall replace the Directors whose terms of office are then expiring (except there shall be no such election in respect of any Director whose term is expiring but whose seat on the Board is being eliminated due to a reduction in the size of the Board), and (ii) each newly-elected Director (other than the ex-officio Directors and the initial Directors) shall serve for a three-year term, and until his or her successor shall have been elected and qualified, subject, however, to his or her earlier death, resignation, or removal. The initial Directors elected by the Board to serve immediately upon the adoption of these Bylaws shall be elected for one, two, or three-year terms. No voting Director who has served four full three-year terms following the adoption of these Bylaws shall be eligible for re-election until he or she has not served as a voting Director for at least one year; provided that such limitation shall not apply to ex-officio Directors or to the officers of the Corporation.~~

~~Section 4. *Vacancies.* Vacancies howsoever arising may be filled by vote of the Board of Directors, at any regular or special meeting of the Board of Directors. Directors elected pursuant to this Section shall serve for the unexpired portion of the term of the Director whose death, resignation or removal gave rise to the applicable vacancy, or, in case of vacancies attributable to an increase in the number of Directors, for a term determined by the Board of Directors at the~~

time of appointment and, in each case, until his or her successor shall have been elected and qualified, subject however, to such replacement Director's earlier death, resignation or removal.

4.2. Section 5. ~~Resignation~~ Election of Directors.

~~(a) Any Director may resign at any time by giving written notice thereof to the Chair, the President, or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.~~

(a) General. Subject to the limitations set forth in this Section 4.2 of these Bylaws, Ultimate Parent shall elect all directors.

(b) Self-Perpetuating Directors. Not less than 25% of the Board of Directors shall consist of directors ("Self Perpetuating Directors") who are elected in accordance with this Section 4.2(b). The initial Self Perpetuating Directors shall be designated by the Board of Directors of this Corporation immediately prior to [Closing Date] and shall be community representatives and physicians affiliated with the Corporation. Any vacancy in the Board of Directors caused by the death, resignation or removal of a Self-Perpetuating Director or by the expiration of the term of a Self-Perpetuating Director shall be filled by a person designated by a majority of the remaining Self-Perpetuating Directors. If the number of directors is increased or decreased, additional Self-Perpetuating Directors shall be elected or existing Self-Perpetuating Directors may be removed, as the case may be, by a majority of the existing Self-Perpetuating Directors, such that the number of Self-Perpetuating Directors is as close as possible to, but not less than, 25% of all directors on the Board of Directors after such increase or decrease. Until [date that is four years after the Closing Date], any new Self-Perpetuating Director must be a community representative or a physician affiliated with the Corporation.

(c) Non-Self Perpetuating Representatives. On [Closing Date], Ultimate Parent, after consultation with WP AHS, shall elect such number of community representatives and physicians affiliated with the Corporation to the Board of Directors ("Non-Self Perpetuating Representatives") such that the Non-Self Perpetuating Representatives and the Self-Perpetuating Directors together constitute at least forty percent (40%) of all the directors serving on the Board of Directors. Until [date that is four years after the Closing Date], any vacancy in the Board of Directors caused by the death, resignation or removal of a Non-Self Perpetuating Representative or by the expiration of the term of a Non-Self Perpetuating Representative shall be filled by Ultimate Parent from nominee(s) identified by a majority of the remaining Non-Self Perpetuating Representatives and the Self-Perpetuating Directors. All Non-Self Perpetuating Representatives must be community representatives or physicians affiliated with the Corporation.

4.3. Number/Qualifications.

~~(a) (b) Composition. Subject to Article VI, Section 94.2 of these Bylaws, the Board of Directors may, in its discretion, by a two-thirds vote of all voting Directors in office, remove and declare vacant the office of any Director at any time, with or without assigning any~~

cause shall consist of such number of persons as the Member may determine, but in no case less than three (3).

~~Section 6. Compensation. At the direction of the Board, the Corporation may elect to compensate one or more Directors for their service as a Director. Directors who are also officers or employees of the Corporation may receive compensation in their capacity as officers or employees.~~

~~Section 7. Conflict of Interest. Directors shall exercise good faith in all transactions touching upon their duties as to the Corporation and its property. No Director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.~~

~~Section 8. Orientation of Directors. Newly elected or appointed Directors shall be oriented to the functions and procedures of the Board of Directors. Such orientation shall be carried out under the supervision of the President and Chief Executive Officer.~~

~~Section 9. Emeritus Directors. The Corporation may maintain an emeritus class of Directors, who shall be non-voting, to recognize the service of individuals previously serving on the Board and provide the Corporation with the benefit of continued access to the knowledge and expertise of such individuals. Emeritus directors shall be entitled to receive such information regarding the Corporation as deemed appropriate by the Board. Emeritus directors may be appointed by the Board for indefinite terms, but may be removed at any time upon the majority vote of the members of the Board.~~

ARTICLE V. MEETINGS OF THE BOARD OF DIRECTORS

(b) Certain Qualifications. No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) Independence. At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) Common Directors With Member and Ultimate Parent. The members of the Board of Directors must include at least one person who is also serving as a member of the board of directors of Member and Ultimate Parent. The same member of the Board of Directors need not be serving on both such boards.

(e) SEC Actions. Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(f) Age Limitations. No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4. Election and Term.

(a) Term of Directors. The Board of Directors shall be divided, as evenly as practicable, into three classes and shall serve staggered terms. Except as otherwise indicated in this Section 4.4(a), at the end of their respective initial terms, all directors shall serve for terms of three (3) years or until their successors are elected and have qualified. If the term of any of the Non-Self Perpetuating Representatives expires prior to [date that is four years after the Closing Date], the remaining Non-Self Perpetuating Representatives shall re-elect the Non-Self Perpetuating Representative for such additional term that may be necessary to assure that such Non-Self Perpetuating Representative serves on the Board until at least [date that is four years after Closing].

(b) Chairperson. The Board of Directors shall elect from among the directors an individual to serve as Chairperson of the Board. The Chairperson shall not be an employee of the Corporation. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

(c) Vice Chairperson. The Board of Directors may elect from among the directors a Vice Chairperson of the Board. The Vice Chairperson shall not be an employee of the Corporation. The Vice Chairperson shall perform the duties of the office of Chairperson of the Board in the absence of the Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

4.5. Vacancies.

Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term between annual meetings of Ultimate Parent shall be filled by an individual elected by Ultimate Parent, except as otherwise provided in Section 4.2(b) or 4.2(c) of these Bylaws with respect to Self-Perpetuating Directors and Non-Self Perpetuating Representatives.

4.6. Meetings.

(a) Section 1. ~~Regular and~~ Annual Meetings. The annual organizational meeting of the Board of Directors shall ~~hold regular meetings~~ be held on such other date as the Board of Directors may determine, at such time and place as shall be determined by the Board or

the Chair; provided that of Directors, without further notice than the resolution setting such date, time and place.

(b) Regular Meetings. Regular meetings of the Board of Directors shall ~~meet~~ be held not less than four (4) times per year. ~~The Annual Meeting, each at such date, time and place as shall be set determined by the Board or Chair of Directors, without further notice than the resolution setting such date, time and place.~~

(c) ~~Section 2. Special Meetings.~~ Special meetings of the Board of Directors may be held called at any time ~~upon call of the Chair, or upon call by the President and by the Chairperson of the Board, the Chief Executive Officer after the President and Chief Executive Officer has received a written request for such a meeting signed by at least three Directors or one-third (1/3) of the members of the Board of Directors, the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.~~

(d) Adjournment. When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

(e) Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

~~Section 3. Notice.~~ Notice of each regular, annual, and special meeting shall be mailed (U.S. Mail or electronically), personally delivered or faxed to each Director at least five days prior to the meeting to the Director's address (mailing address, e-mail address or fax number as applicable) on the books of the Corporation. Voting by proxy shall not be permitted at any meeting.

~~Section 4. Public Meeting.~~ The general public shall be invited to attend at least one meeting of the Board of Directors on an annual basis. Such meeting shall be well publicized in advance of the meeting date and shall be held at a time convenient for attendance by the general public.

(f) ~~Section 5. Quorum and Vote.~~ A majority of the Directors then in office shall constitute a quorum at any regular meeting; provided that a quorum shall not be present at any meeting unless a majority of those Directors present are not members of the medical staff of any Constituent Hospital. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. ~~Each Director~~ Voting and Action. Each director shall be entitled to one vote on each any matter submitted to a vote of the Board of Directors. ~~Except as otherwise required by the PNCL, approval of any matter before, and action by the Board of Directors byon any matter shall require the affirmative vote of a majority of the Directors present at the~~ directors in office unless a greater proportion of affirmative votes is required by applicable meeting shall constitute approval of the applicable matter by the Boardlaw, the Articles of Incorporation or these Bylaws.

~~Section 6. Action by Directors Without a Meeting. Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Directors or members of the committee. Such consent shall be filed in the minutes of the proceedings of the Board or of the applicable committee.~~

~~Section 7. Conduct of Meetings. Meetings of the Board of Directors and committees of the Board of Directors shall be conducted in accordance with such rules as may be established by the Board of Directors.~~

(g) ~~Section 8. Meeting By Use of Conference Telephone. One or more Directors or members of a committee established hereby or pursuant hereto~~Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or such of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at such the meeting for quorum, voting, and all other purposes.

~~Section 9. Waiver of Notice. Whenever any written notice is required to be given under the provisions of the these bylaws or the PNCL, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time of the meeting stated in such notice, shall be deemed equivalent to the giving of such notice. In the case of a special meeting, such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a Director at a meeting shall constitute a waiver of the notice of the meeting unless the Director attends for the express purpose of objecting and objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.~~

(h) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

4.7. Resignation/Removal.

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by Ultimate Parent; provided, that (i) only a majority of the other Self-Perpetuating Directors may remove a Self-Perpetuating Director, whether with or without "cause", and (ii) prior to [date that is/our years after the Closing Date], Ultimate Parent may remove Non-Self Perpetuating

Representatives only for “cause” unless a majority of the other Non-Self Perpetuating Representatives has consented to the removal. For this purpose “cause” shall mean:

- (i) the director is declared of unsound mind by an order of court;
- (ii) the director is indicted for, or convicted of, or enters a plea of guilty or nolo contendere to, a felony;
- (iii) the director engages in fraudulent or dishonest acts or in any act of moral turpitude;
- (iv) the director engages in gross abuse of authority or discretion with respect to the Corporation;
- (v) the director violates the Corporation’s [Code of Conduct Policy];
- (vi) the director fails to attend [four] consecutive meetings of the Board of Directors;
- (vii) the director engages in other conduct that is detrimental to the best interests of the Corporation or its reputation; or
- (viii) the director has breached such director’s duties under Section 5712 of the Nonprofit Corporation Law.

4.8. Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.8 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.9. Compensation.

The Board of Directors may determine the compensation of directors for their services as directors, members of committees of the Board of Directors or otherwise, and also may determine the compensation of persons who are not directors who serve on any committees established by the Board of Directors; provided that such compensation is reasonable compensation within the meaning of Section 4958 of the Code.

~~ARTICLE V. ARTICLE VI.~~

OFFICERS

5.1. Officers; Election.

The principal officers of the Corporation shall be a Chief Executive Officer, a Chief Financial Officer, a Treasurer and a Secretary, each of whom shall be elected by the Board of Directors, subject to the approval of Ultimate Parent, and such other officers as the Board of Directors, subject to the approval of Ultimate Parent, may elect, which may include one or more Presidents, one or more Executive, Senior or Corporate Vice Presidents, and one or more Assistant Treasurers or Assistant Secretaries. Each such officer shall hold office for a term of one year (or such other term as the Board of Directors shall determine for any office from time to time) and until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal. Any number of offices may be held by the same person.

5.2. Responsibilities of Officers.

~~Section 1. Officers. The officers shall be a Chair, a President and Chief Executive Officer, a Secretary, and a Treasurer, and such other officers, including Vice Chairs, Senior Vice Presidents, or Executive Vice Presidents as the Board of Directors may, from time to time, appoint. The President shall have authority to appoint one or more Vice Presidents as the President may determine in his or her sole discretion. No officer other than the Chair and the Vice Chairs need be members of the Board of Directors. Any two or more offices may be held by the same person, except that the same person may not be the President and either Secretary or Treasurer. No full-time employee of the Corporation or any Constituent Corporation shall be eligible to serve as Chair or Vice Chair of the Corporation.~~

~~Section 2. Election and Term of Office; Vacancies. The Chair, President and Chief Executive Officer, Vice Chairs, Secretary, and Treasurer, and such other officers as the Board of Directors shall determine to appoint, shall be appointed by the Board of Directors at the Annual Meeting of the Board of Directors for a term of one year and until the officer's successor is duly elected and takes office or until the officer's earlier death, resignation, or removal. At the Annual Meeting, Vice Presidents and other subordinate officers, if any, shall be appointed by the President for a term of one year or until the officer's earlier death, resignation, or removal. Vacancies howsoever arising in any office to be filled by the Board of Directors (including without limitation vacancies in newly established offices created by the Board of Directors) may be filled by vote of the Board of Directors, at any regular or special meeting of the Board of Directors, and vacancies howsoever arising in any officer to be filled by the President may be appointed by the President at any time. Officers appointed to fill vacancies or otherwise appointed mid-year shall serve until the next annual meeting of the Board of Directors and the appointment of their successor, subject to each such officer's earlier death, resignation or removal. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation.~~

~~Section 3. Chair. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such authority, and shall perform all duties customarily incident to the office of~~

Chairperson of a Board of Directors, and such other authority and duties appropriate to such office as may be assigned by the Board of Directors. The Chair shall be a voting, *ex officio* member of each committee of the Board, subject to fulfilling any applicable independent director requirements. In the absence of the Chair or any Vice Chairs at a meeting of the Board of Directors, the Board shall select a Director to preside over such meeting and perform such other duties as may be required. No Director shall serve as Chair for more than six consecutive years. Service as a Chair of the Corporation or one or more of the Constituent Corporations prior to the effective date of these Bylaws shall not be considered when determining years served.

(a) ~~Section 4. *President and Chief Executive Officer.* The President and Chief Executive Officer (sometimes referred to herein as the "President") shall be the chief executive officer shall be responsible for the general and active management of the business and affairs of the Corporation. The President shall be a voting, *ex officio*, member of the Board and each committee of the Board with the exception of the Compensation Committee and the Audit and Compliance Committee. The President shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject only to the policies and oversight of and shall exercise general supervision and authority over all of its agents and employees and shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be assigned by the Member or the Board of Directors. The President shall also serve as the liaison between the Board and boards of the Constituent Corporations and perform such other duties as are customarily incident to the office, and such other authority and duties appropriate to such office as may be assigned.~~ Chief Executive Officer shall supervise the implementation of all policies, orders and resolutions of the Board of Directors and shall execute all contracts and agreements authorized by the Board of Directors, except that he or she may delegate to other officers of the Corporation the power to execute contracts in the ordinary course of business or as otherwise may be authorized by the Board of Directors. Without limiting the generality of the foregoing, the President is hereby authorized to exercise, on behalf of the Corporation in its capacity as sole member of Constituent Corporations, the following powers reserved to the Corporation pursuant to Article IV, Section 1 hereof: (i) approval, and/or causing the adoption by one or more of the Constituent Corporations, of any contracts between the applicable Constituent Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company; (ii) designation of the administrative structure of the Constituent Hospitals and/or Constituent Corporations and, in consultation with the boards of the Constituent Corporations, appointment and removal, with or without cause, of officers of the Constituent Corporations, provided, however, that no officer shall be removed by the President on behalf of the Corporation without 10 days prior notice of such removal from the President to the Board of Directors of the applicable Constituent Corporation, and (iii) such other actions as the Board of Directors shall authorize in a resolution of the Board of Directors.

~~Section 5. *Vice Chairs.* The Vice Chairs, in the order of their standing, shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.~~

~~Section 6. *Secretary.* The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors and the Executive Committee; notify officers of their election and committee members of their appointment; be responsible for timely notice of all meetings of the Board of Directors and the Executive Committee; have custody of the corporate~~

~~seal and of all books and papers pertaining to the office and shall perform all duties customarily incident to the office, and shall have such other authority and perform such other duties appropriate to such office as may be assigned by the Board of Directors.~~

(b) President(s). The President(s) shall be responsible for the direct administration, supervision and control of such activities in the management of the Corporation as may be assigned by the Chief Executive Officer or the Board of Directors.

(c) Chief Financial Officer. The Chief Financial Officer shall be responsible for financial accounting and reporting for the Corporation and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors.

(d) Vice Presidents. Each Vice President shall perform such duties as may be assigned by the Chief Executive Officer or the Board of Directors.

~~(e) Section 7. Treasurer. The Treasurer shall supervise the financial activities, in accordance with the policies of the Board of Directors and under the direction of the Chief Executive Officer or the Chief Financial Officer, have general charge and custody of and be responsible for all funds and securities of the Corporation. Specifically, the Treasurer shall ensure that the Treasurer shall supervise the financial activities of the Corporation. Specifically, the Treasurer shall ensure that (a) full and accurate accounts of receipts and disbursements are kept; (b) a system is in place such that all monies and other valuable effects are deposited, and shall make such reports in such form and manner as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may direct. The Treasurer shall receive and give receipts for monies due and payable to the Corporation and deposit such monies in the name and to the credit of the Corporation in such banks, trust companies or other depositories as shall be designated by the Board; (c) the Directors at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Corporation; and (d) that an annual audit of the Corporation's books and records is performed by an auditor selected by the Board or a committee thereof. The Treasurer may be selected in accordance with the provisions of these Bylaws. The Treasurer shall keep account of such receipts and deposits and approve expenditures of the Corporation and shall perform all duties, customarily incident to the office, of Treasurer and such other authority and duties appropriate to such office as may be assigned by the Chief Executive Officer, the Chief Financial Officer or the Board of Directors. In performing these functions, the Treasurer may rely on employees of the Corporation or any Constituent Corporation who possess special financial training and skills and whose employment responsibilities include management of the Corporation's financial affairs.~~

~~Section 8. Other Officers. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board or the President and Chief Executive Officer from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer which the assistant officer assists in the event such officer is unable to perform such duties, except that no assistant officer shall become a Director solely by virtue of being an assistant officer.~~

~~Section 9. Resignation. Any officer may resign at any time by giving written notice thereof to the Chair, the President, or the Secretary of the Corporation. Any such resignation~~

shall take effect on the date of receipt of such notice by one of the above specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(f) Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and its committees in one or more books provided for that purpose, shall notify members of the Board of Directors of their election, shall see that all notices are duly given in accordance with the provisions of these Bylaws, shall be custodian of the corporate records and of the seal of the Corporation, and shall see that the seal of the Corporation is affixed, when necessary, to all instruments and documents the execution of which has been authorized by the Board of Directors or a committee thereof, shall keep a record of the address of each director, and shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors. In the absence of the Secretary or in the event of his or her inability to act, the Chairperson of the Board of Directors shall appoint an individual to discharge the duties of the Secretary.

(g) Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers shall perform such duties as may be assigned by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer or the Chief Financial Officer, as appropriate, or the Board of Directors.

5.3. Removal of Officers.

~~Section 10. Removal. Any officer of the Corporation (including the Chief Executive Officer) may be removed, with or without cause, by the Board of Directors whenever in the judgment of the Board of Directors the best interests of the Corporation will be served thereby. Any vice president or other subordinate officer appointed by the President may also be removed with or without cause by the President in his or her discretion. Nothing contained herein shall be construed as prejudicing any, subject to the approval of Ultimate Parent, without prejudice to such officer's contractual rights with respect to compensation under any employment agreement with the Corporation, if any.~~

5.4. Bonds.

The Board of Directors may require any officer to give bond and security in such sum and with such surety or sureties as the Board of Directors may determine.

~~ARTICLE VI~~ARTICLE VII.

COMMITTEES

6.1. Committees.

~~EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS~~

~~Powers of the Executive Committee. The Board of Directors shall maintain an Executive Committee which shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the Corporation (including exercise of the Corporation's~~

powers in its capacity as member of Constituent Corporations), except that the Executive Committee shall not have authority with respect to any of the following matters:

~~Appointing, electing, or removing Directors of the Corporation; however, the Executive Committee shall act to nominate members to serve on the Boards of the Corporation and Constituent Corporations.~~

~~Adopting, amending or repealing the Articles of Incorporation or Bylaws of the Corporation;~~

~~Amending or repealing any resolution of the Board of Directors;~~

~~Approving any matters which pursuant to the Bylaws or resolution of the Board of Directors is reserved to another committee of the Board;~~

~~Adopting, approving, or interpreting the statement of mission and philosophy of any Constituent Corporation or any requirement that a Constituent Corporation operate in conformance with its statement of mission and philosophy;~~

~~Adopting or approving any amendments or restatement of the Bylaws or Articles of Incorporation of any Constituent Corporation;~~

~~Approving or causing any merger, consolidation, division, conversion, or dissolution of any Constituent Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors of any Constituent Corporation, or the sale or other disposition of all or substantially all of the assets of any Constituent Corporation;~~

~~Approving and/or causing any corporate reorganization of any of the Constituent Corporations or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Constituent Corporations;~~

~~Approving any bond issuance or incurrence of any other indebtedness for borrowed money of any of the Constituent Corporations, or any lending of funds by any of the Constituent Corporations to an unrelated person, corporation or other legal entity, including without limitation any capital leases; and~~

~~Appointing, electing or removing any of the Directors of any Constituent Corporation, the Chair and Vice Chair of the Board of Directors of any Constituent Corporation, or the Secretary/Treasurer of any Constituent Corporation.~~

~~*Term.* The Executive Committee shall be comprised of the Chair, each Chair of the Board of each Constituent Hospital corporation, the President and Chief Executive Officer, and such other Directors as the Chair may, from time to time, appoint. Members of the Executive Committee shall serve until their respective successors have been appointed, subject to their earlier death, resignation or removal.~~

~~*Meetings.* The Executive Committee may hold regular meetings as often as necessary, but shall not be required to do so. The Executive Committee shall meet at such an hour and place as may be agreed upon or be set by the Chair. The Chair may call special meetings of the Executive Committee at any time and place whenever the exigency of business shall require. A majority of the members of the Executive Committee then in office shall constitute a quorum at any meeting of the Executive Committee. Once a quorum has been established, subsequent withdrawal of Executive Committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. The affirmative vote of a majority of all of the members of the Executive Committee then in office shall be required to constitute approval of any matter before the Executive Committee, regardless of whether such members are present at the applicable meeting.~~

~~*Rules and Regulations.* The Executive Committee shall adopt such rules and regulations as may be deemed proper for its own guidance in the conduct of the affairs of the Corporation, subject to change at any time by the Board of Directors.~~

~~*Recordkeeping.* Full and accurate minutes of all transactions of the Executive Committee shall be entered in a book kept for such purpose.~~

~~OTHER STANDING COMMITTEES OF THE BOARD OF DIRECTORS~~

~~(a) *Designation of Standing Board Committees.* In addition to the Executive Committee, the Board of Directors shall maintain the following other standing committees: Audit and Compliance, Investment, Compensation, Medical Education and Research, and Finance and Operating. Subject to specific composition requirements applicable to a committee as described herein, each committee shall be comprised of three or more members of have a Corporate Governance and Nominating Committee, an Audit Committee and a Personnel and Compensation Committee and the Board of Directors (the precise number to be established may establish such other standing committees as it deems to be necessary or desirable (the "Standing Board Committees")). All Standing Board Committees shall be comprised solely of directors and shall have charters governing their powers and duties, which charters shall be approved by the Board of Directors) and may include such other interested individuals as maybe determined appropriate by the The Board of Directors, who shall be appointed by the Board of Directors, provided, that the Compensation Committee shall have no physician members, employees of the Corporation, or any other person deemed to be an "insider" under guidelines promulgated or issued by the Internal Revenue Service. Members of standing committees shall be appointed by the Board and shall serve for one year terms and until their respective successors have been appointed, subject to their earlier death, resignation or removal. Committee chairs shall not serve for more than six consecutive years; provided that service as a chair of any committee of the Corporation or one or more of the Constituent Corporations prior to the effective date of these Bylaws shall not be considered when determining years served. Notwithstanding the foregoing, if the Board determines that to do so would be in the best interest of the Corporation, the Board may elect to waive the term limit for one or more committee chairs from time to time. shall appoint the members and a chairperson and a vice chairperson of each Standing Board Committee.~~

~~Section 2. *Audit and Compliance Committee.* For the Corporation and each of the Constituent Corporations, this Committee shall oversee the compliance program for the Health Care System, the accounting and financial reporting process, the systems of internal accounting and financial controls, the internal audit function, and the independent audit of financial statements for the Corporation and each Constituent Corporation, including the selection and evaluation of the external auditors. In addition, this Committee shall be responsible for accepting the annual independent audit report of the Health Care System's financial statements prepared by the external auditors. At the close of each year, this Committee shall render or cause to be rendered an audit report to the Corporation at its annual meeting, and shall have such other responsibilities and authority as designated by the Board. This Committee shall be comprised of three to five members who have no relationship to the Corporation or its Constituent Corporations or Constituent Hospitals that would, in the judgment of the Board, interfere with the exercise of their independent judgment. No member of this Committee shall have had an employment relationship within the two prior years with the independent audit firm engaged by the Corporation to perform the annual audit. All Committee members shall have a working knowledge of financial or audit matters.~~

~~Section 3. *Investment Committee.* This Committee shall supervise the investment and safekeeping of all funds belonging to the Corporation and the Constituent Corporations or held by them in trust. Securities owned by this Corporation and the Constituent Corporations shall be purchased or sold and transferred when authorized either by the Board of Directors, by the Executive Committee, or by this Committee.~~

~~Section 4. *Compensation Committee.* This Committee shall determine the compensation of officers, and senior management of the Corporation and Constituent Corporations, and shall provide information regarding the Committee's determination to any Director upon his or her request. Either this Committee or a separate committee appointed by the Board shall evaluate and determine compensation parameters for physicians employed by or under contract with the Health Care System. Subject to the subsequent sentence, this Committee shall include as members the Chair of the Board of Directors, along with such other Directors as the Board may determine from time to time. This Committee shall have no physician members, employees of the Corporation, or any other person deemed to be an "insider" under guidelines promulgated or issued by the Internal Revenue Service who is compensated in his or her capacity as such.~~

~~Section 5. *Medical Education and Research Committee.* This Committee shall be responsible for overseeing, evaluating the quality, costs, and benefits, and making recommendations to the Board with respect to the medical education and research programs undertaken from time to time by the Corporation and any Constituent Corporation. This Committee shall include physicians from the medical staffs of the Constituent Hospitals who are responsible for medical education and research activities.~~

~~Section 6. *Finance and Operating.* This Committee shall review and recommend to the Board of Directors the annual operating plan for the Corporation, including the Corporation Hospitals. The operating plan shall include, but not be limited to, initiatives related to the quality of patient care, patient satisfaction, and financial performance at each of the Corporation Hospitals. This Committee shall meet as needed to review the status of the operating plan of the~~

Corporation, and to review and recommend approval or disapproval of any proposed changes to the operating plan by the Corporation.

~~Section 7. *Quality and Satisfaction Committee.* This Committee shall have oversight of the quality of care throughout the System. The Committee shall make recommendations to improve quality and satisfaction and shall have the authority to take action on behalf of the Board to approve routine regulatory and accreditation issues, such as patient safety, safety, and environment of care.~~

~~Section 8. *Quorum.* A majority of the members of a committee then in office or four committee members, whichever is less, shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting.~~

~~Section 9. *Other Standing or Special Committees.* Other standing or special committees may be created by the Board of Directors as it may deem necessary, and shall be appointed by the Board of Directors.~~

~~Section 10. *Meetings.* The several standing committees shall function under the direction of the Board of Directors and the Executive Committee and except to the extent required to meet more frequently pursuant hereto shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Except as otherwise provided with respect to the Executive Committee in Article VII, Section 3 hereof, the affirmative vote of a majority of the members of any Committee present shall be required to constitute approval of any matter before such Committee.~~

~~Section 11. *Resignation.* Any Committee member may resign at any time by giving written notice thereof to the Chair, the President or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.~~

~~Section 12. *Removal.* Any Committee member may be removed, with or without cause, by the Board of Directors whenever in the judgment of the Board of Directors the best interests of the Corporation will be served thereby.~~

~~Section 13. *Vacancies.* Vacancies in any Committee howsoever arising may be filled by vote of the Board of Directors at any regular or special meeting of the full Board. Committee members appointed pursuant to this Section shall serve for the unexpired portion of the term of the Committee member whose death, resignation or removal gave rise to the applicable vacancy, and until his or her successor shall have been elected and qualified, subject however, to such replacement Committee member's earlier death, resignation or removal.~~

(b) *Special Committees and Program Committees.* The Board of Directors may establish one or more special committees of directors ("Special Committees") to advise the Board of Directors and to perform such other functions as the Board of Directors determines.

including without limitation a Medical Education and Research Committee and a Quality and Satisfaction Committee. The Board of Directors may establish one or more committees, which may include directors and persons who are not directors, to assist it with aspects of the Corporation's operations ("Program Committees"). Subject to the provisions of these Bylaws, the Board of Directors may delegate such authority to a Special Committee or a Program Committee as it deems to be appropriate and desirable and as is not prohibited by applicable law. The Board of Directors shall establish the manner of selecting members, chairpersons and vice chairpersons, if any, and the terms of office of the members of each Special Committee and Program Committee.

6.2. Term.

Except as otherwise provided in these Bylaws, each member of a Standing Board Committee shall continue as such until the next annual meeting of the Board of Directors or until a successor has been appointed as provided herein, unless such person resigns, is removed or otherwise ceases to serve on such Standing Board Committee for any reason.

6.3. Quorum and Action.

Except as otherwise provided in these Bylaws or the charter of a committee approved by the Board of Directors, a majority of the members comprising any committee appointed by the Board of Directors pursuant to these Bylaws shall constitute a quorum for the transaction of business, and the acts of a majority of committee members present at a meeting at which a quorum is present shall constitute the acts of the committee, unless a greater proportion is required by applicable law, the Articles of Incorporation or these Bylaws.

6.4. Action by Unanimous Written Consent.

Except as otherwise provided in these Bylaws or a charter of a committee approved by the Board of Directors, any action which may be taken at a meeting of any committee appointed by the Board of Directors pursuant to these Bylaws may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members of such committee and filed with the Secretary.

6.5. Removal.

Any member of a Standing Board Committee, Special Committee or Program Committee may be removed at any time, with or without cause, by the Board of Directors at any regular or special meeting.

6.6. Vacancies.

Any vacancy in any Standing Board Committee, Special Committee or Program Committee caused by the death, resignation or removal of a member of such committee prior to the expiration of that member's term shall be filled by another person appointed by the Board of Directors. The member so appointed shall serve the remaining unexpired term of the member so replaced.

6.7. Exclusions from Committee Membership.

Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

6.8. Corporate Governance and Nominating Committee.

(a) Composition. The Corporate Governance and Nominating Committee shall consist of such number of directors, but in no case less than three (3), as may be determined by the Board of Directors. None of the members of the Corporate Governance and Nominating Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Corporate Governance and Nominating Committee shall be responsible for:

(i) Recommending candidates for election as directors at each annual meeting of [Ultimate Parent Entity];

(ii) Recommending to [Ultimate Parent Entity] candidates for election as directors to fill any vacancies occurring on the Board of Directors; and

(iii) Recommending candidates for election or reelection as Chairperson of the Board and Vice Chairperson of the Board.

(c) Timing. At least fifteen (15) days before each annual, regular or special meeting of the Member, the Corporate Governance and Nominating Committee shall recommend the requisite number of individuals who satisfy the qualifications established in these Bylaws for election as directors of the Corporation.

6.9. Audit Committee.

(a) Composition. The Audit Committee shall consist of such number of directors, but in no case less than three (3), as the Board of Directors shall determine. None of the members of the Audit Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Audit Committee shall be responsible for accepting the annual independent audit report of the Corporation's financial statements, as prepared by the external auditors, and render or cause to be rendered an audit report to the Board of Directors at its annual meeting.

6.10. Personnel and Compensation Committee.

(a) Composition. The Personnel and Compensation Committee shall consist of such number of directors, in no case less than three (3), as the Board of Directors shall determine. None of the members of the Personnel and Compensation Committee shall be employees of the Corporation or of any entity controlled by the Corporation or of any entity controlled by the Corporation and none may have a conflict of interest as defined in Section 4958 of the Code and applicable regulations.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Personnel and Compensation Committee shall be responsible for:

(i) Evaluating the performance of the principal officers of the Corporation; and

(ii) Recommending to the Board of Directors for recommendation to Ultimate Parent the selection and compensation of the principal officers of the Corporation.

ARTICLE VII. ARTICLE IX.

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

7.1. Right to Indemnification - General.

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or employee, including any employee who is a medical doctor, lawyer or other licensed professional or any committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

7.2. Right to Indemnification - Third Party Actions.

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines

and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.3. Right to Indemnification - Derivative Actions.

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 7.3 in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

7.4. Advance of Expenses.

Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.5. Procedure for Effecting Indemnification.

Unless ordered by a court, any indemnification under Section 7.1, Section 7.2 or Section 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the

circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

7.6. Indemnification Not Exclusive.

The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.

7.7. When Indemnification Not Made.

Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8. Grounds for Indemnification.

Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9. Power to Purchase Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

7.10. Creation of a Fund to Secure or Insure Indemnification.

The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

7.11. Status of Rights of Indemnities.

The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12. Applicability to Predecessor Companies.

For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, employee, agent or other representative of such a corporation, entity or affiliate or served as a member, director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and employee of each predecessor to the Corporation shall have the same contract rights as are afforded to directors, officers and employees of the Corporation pursuant to Section 7.11 of these Bylaws.

ARTICLE VIII.

MEDICAL STAFFS

8.1. ~~Section 1. Medical Staffs Generally.~~

The Board of Directors shall create one functional unit within Allegheny General Hospital ("AGH Medical Staff") and one functional unit covering both The Western Pennsylvania Hospital - West Penn Campus, and The Western Pennsylvania Hospital - Forbes Regional Campus ("WPH Medical Staff"; the AGH Medical Staff and the WPH Medical Staff are sometimes hereinafter referred to collectively as the "Medical Staffs"; each a "Medical Staff"). The AGH Medical Staff and the WPH Medical Staff shall each be composed of physicians, dentists, and such other health care practitioners as determined by the Board of Directors. Each Medical Staff shall be delegated the responsibility for making recommendations at their respective Corporation Hospital(s) concerning clinical privileges, the medical staff appointment of practitioners, the quality of medical care delivered in the respective Corporation

Hospital(s), and the rules and regulations governing the practice of practitioners within such Corporation Hospital(s). The AGH Medical Staff shall be an internal component of Allegheny General Hospital and the WPH Medical Staff shall be an internal component of The Western Pennsylvania Hospital - West Penn Campus and The Western Pennsylvania Hospital - Forbes Regional Campus. Each Medical Staff shall have bylaws outlining its structure and function so that it may fulfill its delegated responsibilities in an effective fashion. Only such Medical Staff Bylaws as are adopted by the Board of Directors shall be effective. The Board of Directors retains the right to rescind any authority or procedures delegated to either ~~or~~OR both of the AGH Medical Staff or the WPH Medical Staff by bylaws ~~or~~01 otherwise and to amend the bylaws as necessary for the good operation of the relevant Corporation Hospital. The power of the Board of Directors to adopt or amend Medical Staff bylaws, rules, and regulations, shall not be dependent upon ratification by the respective Medical Staff.

8.2. Section 2-Organization of Medical Staff.

The AGH Medical Staff and the WPH Medical Staff shall be divided into clinical departments. The appointment of clinical department chairs and of all Medical Staff standing committee chairs for each Medical Staff shall be approved by the Board of Directors.

8.3. Section 3-Appointment to Medical Staff.

All appointments to the AGH Medical Staff and to the WPH Medical Staff shall be made by the Board of Directors for a period not to exceed two years. Appointments, reappointments, and the delineation of privileges shall be made in accordance with such Corporation Hospital's policy and/or its or their Medical Staff bylaws; provided, however, that nothing therein contained shall limit the legal rights and obligations of the Board of Directors with respect to such matters.

8.4. Denial of Privileges.

~~Section 4. Denial of Privileges.~~ In the circumstances delineated in, as appropriate, the AGH Medical Staff bylaws or the WPH Medical Staff Bylaws and to the extent provided therein, an applicant to the Medical Staff or a Medical Staff member affected by an action relating to Medical Staff privileges shall be afforded the opportunity of a full hearing before an appropriately constituted body (which body may be a joint conference of other hospitals comprising part of the System), conducted in such manner as to assure due process and to afford full opportunity for the presentation of all pertinent information, pursuant to the specific Corporation Hospital policy or the respective Medical Staff bylaws. No recommendation or action other than as set forth in the relevant Medical Staff bylaws shall constitute grounds for a hearing.

ARTICLE IX. ARTICLE X.

PATIENT'S BILL OF RIGHTS

The ~~President and~~ Chief Executive Officer shall designate one or more management individuals with the responsibility of ensuring that a Patient's Bill of Rights for

each of the Corporation Hospitals not less in substance and coverage than required by the Pennsylvania Department of Health regulations is disseminated to all patients of the Hospital.

ARTICLE X.

CONTRACTS, LOANS, CHECKS AND DEPOSITS

10.1. Contracts.

Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

10.2. Loans.

Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

10.3. Checks.

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

10.4. Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

ARTICLE XI.

FISCAL YEAR NOTICE AND ANNUAL REPORT CONDUCT OF MEETINGS

~~Section 1. Fiscal Year. The Fiscal Year of the Corporation shall begin on the first day of July each year and end on the thirtieth day of June of the succeeding year, or on such other date as may be fixed from time to time by resolution of the Board of Directors.~~

~~Section 2. Annual Report. The Treasurer shall submit annually to the Board of Directors a statement containing those details required to be included under the provisions of the PNCL, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.~~

11.1. Written Notice.

Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

11.2. Written Waiver of Notice.

Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

11.3. Waiver of Notice by Attendance.

Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

11.4. Procedure.

All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

ARTICLE XII.

AUXILIARY ORGANIZATIONS MISCELLANEOUS

12.1. No Contract Rights.

Except as specifically set forth in Sections 4.2, 4.4(b), 4.5, 4.7(b), 4.8 and 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

12.2. Corporate Seal.

The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

12.3. Fiscal Year.

The fiscal year of the Corporation shall end on such day as shall be fixed by Ultimate Parent.

12.4. Auxiliary Organizations.

The Board may provide for the establishment of auxiliary organizations. The bylaws of ~~these~~any such organizations shall be subject to approval by the Board of Directors.

ARTICLE XIII.

SEAL AMENDMENTS

~~The Seal of the Corporation shall be selected by the Board.~~

13.1. Amendments.

Subject to Section 7.1(a) of the Affiliation Agreement, these Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by Ultimate Parent.

ARTICLE XIV.

LIABILITY CONFLICTS OF DIRECTORS INTEREST

14.1. Disclosure.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

14.2. Recusal and Investigation.

After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best

interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

14.3. Failure to Disclose.

If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

14.4. Record of Actions.

The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

14.5. Compensation.

Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

14.6. Annual Statements.

Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new member shall be advised of the policy upon entering on the duties of his office. In addition, the Corporation shall conduct periodic reviews of its activities, including any

transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

~~Section 1. *Limitation of Directors' Personal Liability.* A Director of the Corporation shall not be personally liable for monetary damages for any action taken unless the Director has breached or failed to perform the duties of his office under the PNCL as in effect at the time of the alleged action by such Director and the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to any Federal, state, or local law.~~

~~Section 2. *Standard of Care and Fiduciary Duty.* Each Director shall stand in a fiduciary relationship to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:~~

~~(a) One or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;~~

~~(b) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and~~

~~(c) A committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.~~

~~Section 3. *Preservation of Rights.* Any repeal or modification of this Article by the Board shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation and shall inure to the benefit of the heirs, executors, and administrators of such person.~~

~~ARTICLE XV.~~

~~INDEMNIFICATION~~

~~Section 1. *Mandatory Indemnification of Directors and Officers.* The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation who was or is or is threatened to be made a party to or a witness in any threatened, pending or completed action or proceeding,~~

~~whether civil, criminal, administrative or investigative including an action by or in the right of the Corporation, by reason of the fact that the Director or officer is or was an authorized representative of the Corporation, or is or was serving at the written request of the Corporation as a representative of another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Director or officer in connection with such action, suit or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.~~

~~Section 2. *Mandatory Advancement of Expenses to Directors and Officers.* The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XV in defending or appearing as a witness in any civil or criminal action, suit, or proceeding described in Section 1 of this Article XV in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XV.~~

~~Section 3. *Permissive Indemnification and Advancement of Expenses.* The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative including an action by or in the right of the Corporation, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be~~

determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XV.

~~Section 4. *Scope of Indemnification.* Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action.~~

~~Section 5. *Miscellaneous.* Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members (if any), disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Article.~~

~~Section 6. *Definition of Authorized Representative.* For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director or officer), or employee of the Corporation or of any Constituent Corporation, or a trustee, custodian, administrator, committee person or fiduciary of any employee benefit plan established and maintained by the Corporation or by any Constituent Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include (i) agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors, or (ii) any medical staff appointee serving in his or her teaching or clinical capacity.~~

~~Section 7. *Funding to Meet Indemnification Obligations.* The Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. The Corporation may, in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain a fund of any nature or otherwise secure or insure in any manner its indemnification obligations, whether arising pursuant to this Article or otherwise.~~

~~Section 8. *Procedure for Effecting Indemnification.* Unless ordered by a court, any indemnification under this Article or the PNCL shall be made only following a determination~~

~~that the indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct. Such determination shall be made:~~

~~(a) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not party to the action or proceeding; or~~

~~(b) If such quorum is not obtainable or if obtainable, in the event a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.~~

~~ARTICLE XVI.~~

~~REVIEW & AMENDMENTS~~

~~These Bylaws shall be reviewed at least annually. These Bylaws and the Articles of Incorporation may be amended or repealed and new Bylaws and new Articles of Incorporation adopted at any regular meeting of the Board of Directors of the Corporation or at any special meeting called for that purpose, provided that notice of any such proposed amendment, repeal or adoption of Bylaws or Articles of Incorporation shall have been given to the Board in accordance with the notice requirements set forth in the PNCL relating thereto or, if none, at least ten days prior to such regular or special meeting and that a copy of the proposed amendment or new Bylaws or new Articles of Incorporation shall have been mailed to each member of the Board of Directors with the notice of the meeting. Amendments for technical, grammatical or spelling errors may be changed at any meeting of the Board without the notice provisions required above and shall be effective immediately.~~

~~ARTICLE XVII.~~

~~SUBVENTIONS~~

~~The Corporation shall be authorized by resolution of the Board of Directors to accept subventions from nonmembers on terms and conditions not inconsistent with PNCL § 5542, or any successor provision and to issue certificates therefor. The resolution of the Board of Directors may provide that the holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.~~

Summary Report:	
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Embedded Excel	0
Format Changes	0
Total Changes:	871

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
WEST PENN ALLEGHENY HEALTH SYSTEM, INC.
(formerly The Western Pennsylvania Hospital)**

In compliance with the requirements of 15 Pa.C.S. § 5306, the undersigned, being of full age and desiring to incorporate ~~at the~~ the Pennsylvania Nonprofit Corporation Law of 1988, West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation (the "Corporation"), hereby certifies ~~amends and restates its Articles of Incorporation as follows, which Amended and Restated Articles supersede the original Articles of Incorporation and all amendments thereto:~~

1. ~~FIRST:-~~ Corporate Name. The name of the corporation is West Penn Allegheny Health System, Inc. ~~(the "Corporation").~~
 2. ~~SECOND:-~~ Registered Office. The location and post office address of the Corporation's registered office of the Corporation in this Commonwealth is 4800 Friendship Avenue, Pittsburgh, Pennsylvania PA 15224, ~~located in the county of Allegheny.~~
 3. Organization and Purpose. The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:
- ~~1874.~~ ~~THIRD:-~~ The Corporation is incorporated under the Act of April 29,
- ~~FOURTH:-~~ The purposes of the Corporation are:
- (a) To provide, maintain, operate, and support, directly and through its controlled affiliates, the provision, maintenance, management, and operation of, on a not-for-profit basis, in-patient and out-patient hospital facilities and health care services for the benefit of persons who require medical care and services of the kind customarily furnished most effectively by hospitals, without regard to race, creed, color, sex, age, religion, national origin, sexual orientation, ability to pay, or any other criteria not related to medical indications for admission or treatment;
 - (b) To carry on educational and scientific activities related to the care of the sick and injured;
 - (c) To carry on scientific research related to the care of the sick and injured;
 - (d) To carry on activities designed ~~and carried on~~ to promote the general health of the communities in which it operates;

(e) ~~To support and manage~~ operate as part of the nonprofit regional health care system, governed by [Ultimate Parent Entity] and support a health care provider network comprised of the Corporation and its controlled affiliates those corporations and other entities over which the Corporation exercises governance control (the "subsidiaries"), each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization ~~described~~ exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and are not and classified as other than private foundations under Section 509(a)(1) or, 509(a)(2) and Section 170 or 509(ba)(1)(A)(vi)3 of the Code;

(f) ~~To maintain itself as a not-for-profit corporation organized exclusively for charitable, scientific and educational~~ carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, with provided, that none of such activities conducted in such a manner that no part of its net earnings shall inure to the benefit of any member, Director, officer or other individual. Upon termination, dissolution or winding-up, the assets remaining after payment of all liabilities shall be distributed to another shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code as selected by the Directors in their sole discretion, subject, however, to all applicable law, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

~~To exercise all such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, as amended from time to time, or any successor legislation, all in a manner that is described in Section 501(c)(3) of the Code.~~

(g) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

4. ~~FIFTH:~~ Pecuniary Gain or Profit. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

5. ~~SIXTH:~~ Non-Stock Basis. The Corporation is to be organized upon a nonstock non-stock basis.

6. ~~SEVENTH:~~ Members. The Corporation shall have ~~no members~~ a single member, which shall be [Provider Subsidiary] a Pennsylvania nonprofit corporation (the "Member").

7. Management. Except for those powers reserved to the Member and the [Ultimate Parent Entity] in the Bylaws of the Corporation, the business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors of the Corporation. The number, term of office, method of selection and manner of removal of the Board of Directors shall be as set forth in the Bylaws of the Corporation.

8. ~~EIGHTH:-~~ Exempt Organization. Notwithstanding any other provision herein, and notwithstanding its momentary existence of these Articles, the Corporation is organized for one or more of the purposes specified in sections shall not engage directly or indirectly in any activity which would prevent it from qualifying, and continuing to qualify, as a corporation described in Section 501(c)(3) of the Code and shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate (i) its status as a corporation which is exempt from Federal income taxation under section 501(a) of the Code as an organization described in section 501 (e)(3) of the Code, and (ii) its status as an organization, (hereinafter referred to in these Articles as an "exempt organization"), or as a corporation contributions to which are deductible under sections 170Section 170(c)(2), 2055(a)(2) and 2522(a)(2) or the Code. No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

~~NINTH:-~~ No part of the net earnings of the Corporation shall inure to the benefit of any trustee, director or officer of the Corporation or any private individual, firm, corporation or association, except that reasonable compensation may be paid for services rendered and payments and distributions may be made in furtherance of the purposes set forth in Article FOURTH hereof, and no trustee, director or officer of the Corporation, nor any private individual, firm, corporation or association, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

~~TENTH:-~~ In the event of dissolution of the Corporation, its Board of Directors, after making provision for the payment of all of the liabilities of the Corporation, and subject to providing prior notice to the Attorney General, obtaining the approval of the Orphans' Court of the Commonwealth of Pennsylvania, and compliance with the laws of the Commonwealth of Pennsylvania, shall arrange for either the direct distribution of all of the assets of the Corporation to one or more entities previously controlled by the Corporation (collectively and individually, the "Designated Entity"), provided that the Designated Entity is an organization that (i) qualifies for exemption under the provisions of section 501(a) of the Code as an organization described in section 501(c)(3) of the Code and is classified as a public charity pursuant to section 509(a) of the Code and the Treasury Regulations promulgated thereunder, and (ii) contributions to which then are deductible under sections 170(e)(2), 2055(a)(2) and 2522(a)(2) of the Code. In the event no Designated Entity is so qualified, then the Corporation shall arrange for distribution of its assets for the purposes of the Corporation (as set forth in Article FOURTH hereof) or the distribution to one or more organizations (i) which qualify for exemption under the provisions of section 501(a) of the Code as an organization described in section 501(c)(3) of the Code and are classified as a public charity pursuant to section 509(a) of

the Code and the Treasury Regulations promulgated thereunder, and (ii) contributions to which then are deductible under sections 170(e)(2), 2055(a)(2) and 2522(a)(2) of the Code.

~~ELEVENTH:-~~ No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as may otherwise be permitted by section 501(h) of the Code. No part of the activities of the Corporation shall be participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for public office (including the publishing or distributing of statements).

~~TWELVTH:-~~ The Board of Directors of the Corporation may alter or amend these Articles, provided that any such alteration or amendment shall be consistent with the Corporation's status as a corporation (i) exempt from Federal income taxation under section 501(a) of the Code, as an organization described in section 501 (c)(3) of the Code and (ii) contributions to which are deductible under sections 170(e)(2), 2055(a)(2) and 2522(a)(2) of the Code.

~~THIRTEENTH:-~~ Reference in these Articles to sections of the "Code" shall be deemed to include corresponding provisions of any future United States Internal Revenue law.

9. Earnings. Notwithstanding any other provision of these Articles, no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributable to its members, directors, trustees, officers or any other private individual; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the extent such payments do not prevent it from qualifying, and continuing to qualify, as an exempt organization and to make such lawful payments and distributions in furtherance of the purposes set forth in Article 3 hereof as may from time to time be either required or permitted by Section 501(c)(3) of the Code.
10. Foundation Status. In the event that the Corporation fails to qualify as an organization described in Section 509(a)(1), (2) or (3) of the Code, then, notwithstanding any other provision of these Articles, the Corporation shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d) of the Code); from retaining any excess business holdings (as defined in Section 4943(c) of the Code); from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and from making any taxable expenditures (as defined in Section 4945(d) of the Code), to the extent any action therewith would subject the Corporation to tax under one or more of the cited sections of the Code. To the extent required, the Corporation shall make qualifying distributions at such time and in such manner as do not subject the Corporation to tax under Section 4942 of the Code.
11. Dissolution. Upon the dissolution or liquidation of the Corporation, after paying or making provision for payment of all of the known liabilities of the Corporation, any remaining assets of the Corporation shall be transferred to the Member, or its successor, provided that the Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or

liquidation of the Corporation, the Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [Ultimate Parent Entity], or its successor, provided that [Ultimate Parent Entity] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, both the Member and [Ultimate Parent Entity], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation may be distributed to (a) such one or more corporations, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Corporation's Board of Directors, have purposes similar to those of the Corporation or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution or sale of the assets of the Corporation.

12. Personal Liability of Directors.

- (a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.
- (b) Applicability. The provisions of this Article shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, bylaw or provision.

13. Indemnification.

- (a) Right to Indemnification - General. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified" by the

Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article 13, shall mean any director, officer or employee, including any employee who is a medical doctor, lawyer or other licensed professional or any committee created by or pursuant to the Bylaws of the Corporation, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article 13.

- (b) Right to Indemnification - Third Party Actions. Without limiting the generality of Section 13(a), any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
- (c) Right to Indemnification - Derivative Actions. Without limiting the generality of Section 13(a), any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 13(c) in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or

proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

- (d) Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article 13 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 13 or otherwise.
- (e) Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Section 13(a), Section 13(b) or Section 13(c) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made: (i) by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or, (ii) if such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.
- (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of the Bylaws of the Corporation, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.
- (g) When Indemnification Not Made. Indemnification pursuant to this Article 13 shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.
- (h) Grounds for Indemnification. Indemnification pursuant to this Article 13, under any other provision of the Bylaws of the Corporation, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action

and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article 13 and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article 13 shall be applicable to all actions, suits or proceedings within the scope of Section 13(a), Section 13(b) or Section 13(c), whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

- (i) Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article 13.
- (j) Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article 13 or otherwise.
- (k) Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.
- (l) Applicability to Predecessor Companies. For purposes of this Article 13, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, employee, agent or other representative of such a corporation, entity or affiliate or served as a member, director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article 13 with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and employee of each predecessor to the Corporation shall have the same contract rights as are afforded to members, directors, officers and employees of the Corporation pursuant to Section 13(a).

14. Code. References in these Articles to a section of the Internal Revenue Code of 1986 shall be construed to refer both to the section and to the regulations promulgated thereunder, as they now exist or may hereafter be adopted or amended in this or in subsequent internal revenue laws.

Summary Report:	
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